

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**SEVENTH JOINT STATUS REPORT OF MOVANT AMBAC ASSURANCE
CORPORATION AND RESPONDENTS THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, THE
COMMONWEALTH OF PUERTO RICO, AND THE PUERTO RICO FISCAL
AGENCY AND FINANCIAL ADVISORY AUTHORITY WITH RESPECT TO
THE PENSIONS DISCOVERY MOTIONS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

To the Honorable United States Magistrate Judge Judith Gail Dein:

Movant Ambac Assurance Corporation (“Ambac”) and Respondents the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), the Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Oversight Board as the Commonwealth’s representative pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF,” and together with the Oversight Board and the Commonwealth, the “Respondents”),² respectfully submit this joint status report in response to the Court’s February 27, 2020 Order (Dkt. No. 11808).

A. Procedural Background

1. Ambac filed its *Motion To Compel Pensions Discovery* (Dkt. No. 7505) and *Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004* (Dkt. No. 7507) on July 18, 2019 (together, the “Pensions Discovery Motions”). Respondents filed their *Omnibus Opposition to the Pensions Discovery Motions* (Dkt. No. 7895) on July 9, 2019, and Ambac submitted its reply (Dkt No. 8230) on July 23, 2019. On October 23, 2019, Ambac requested additional information regarding the Commonwealth’s pension liabilities (the “Supplemental Pensions Requests”).

2. The Parties subsequently have requested to adjourn the hearing on the Pensions Discovery Motions in order to allow the Parties to continue to meet and confer in the hopes of narrowing any open disputes.³ The Court has granted these requests.⁴

² Movant and Respondents are collectively referred to as the “Parties.”

³ See Dkt. Nos. 8007, 8271, 8444, 8634, 8997, 9498, 10327.

⁴ See Dkt. Nos. 8017, 8291, 8447, 8638, 9006, 9518, 10376.

3. The Parties have filed joint status reports informing the Court of their progress during these continued meet and confers.⁵

4. The Parties' most recent joint status report was filed on February 27, 2020 (Dkt. No. 11803). At the same time, the Parties jointly filed an urgent motion (Dkt. No. 11805) seeking an order granting an adjournment of the hearing on the Pensions Discovery Motions in order to allow the Parties to continue to meet and confer. The Court granted the motion, adjourning the hearing on the Pensions Discovery Motions to the omnibus hearing scheduled for April 22, 2020, and ordering the Parties to submit a seventh joint status report to the Court by April 16, 2020 (Dkt. No. 11808).

B. Update Since Previous Status Report

5. In the time since the Parties filed their sixth joint status report, the Parties have continued to meet and confer to discuss the status of the collection, review, and production process. Counsel for the Oversight Board agreed to produce non-privileged information in its possession, custody, or control responsive to the Supplemental Pensions Requests, subject to Ambac proposing ways to narrow its requests and proposing prioritized requests. Ambac agreed to prioritize and narrow its Supplemental Pensions Requests, and to update them after the Oversight Board filed its amended plan of adjustment.

6. Ambac has agreed to provide Respondents with its updated Supplemental Pensions Requests by May 15, 2020.

7. The Parties have agreed to meet and confer by May 28, 2020, to discuss the updated Supplemental Pensions Requests in the hopes of narrowing or resolving any remaining areas of dispute.

⁵ See Dkt Nos. 8445, 8633, 8996, 9496, 10325.

8. The Parties would propose to submit a further status report to the Court by May 29, 2020.

9. Accordingly, the Parties have filed, concurrently with this Joint Status Report, a joint motion requesting an adjournment of the hearing on the Pensions Discovery Motions to the omnibus hearing scheduled to take place on **June 3, 2020**.

10. Given the progress that is being made, Respondents have asked Ambac whether the Pensions Discovery Motions can be withdrawn prior to the June 3, 2020 omnibus hearing. Ambac has agreed to consider the proposal.

[Remainder of Page Intentionally Omitted]

Dated: April 16, 2020
San Juan, Puerto Rico

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CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

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